

THE FARM LOAN ACT

System for Lending Money on Farm Lands at Reasonable Interest for Relatively Long Periods

The Federal farm loan act, popularly called the "Rural Credits Law," was signed by the President and became a law on July 17, 1916.

The primary purpose of this act is to promote agricultural prosperity by enabling farmers to borrow money on farm-mortgage security at a reasonable rate of interest and for relatively long periods of time. To attain this object, two farm-mortgage systems are provided: (1) A system operating through regional land banks, and (2) a system operating through joint-stock land banks.

To attract money to the farm-loan act, the act provides a method whereby those who have money to loan can find safe investment in the form of debentures or bonds, of small and large denominations, issued by the banks and based on the security of mortgages on farm lands. These two systems are to be under the general supervision of a Federal Farm Loan Board in the Treasury Department, composed of the Secretary of the Treasury, as chairman, and four members appointed by the President. This board has authority to appoint appraisers, examiners, and registrars, who will be public officials.

Federal Land-Bank System.

Under the Federal land-bank system the act provides for Federal land banks which make loans, for the term of 12 months, exclusively through local national farm-loan associations composed of borrowers. These associations shall be shareholders in the banks, and in that way the members are the borrowers will share in the profits of the bank. The money for the loans is to come partly from the sale of the banks of bonds secured by first mortgages on farm lands. The act defines strictly the purposes for and the conditions under which loans are to be made, and requires that the rate of interest charged on farm loans shall not exceed 6 per cent per annum.

The United States shall be divided into 12 farm-loan districts, and a Federal land bank with a subscribed capital stock of not less than \$750,000, each share \$5, shall be established in each district. Each Federal land bank may establish branches in its district. Within 30 days after the capital stock is offered for sale it may be purchased at par by anyone. Thereafter, the stock remaining unsold shall be bought by the Secretary of the Treasury for the United States. It is provided, however, that the Government shall not receive any dividends on its stock. Ultimately, it is intended that all the stock in the banks shall be owned by the associations of borrowers, and provision therefore is made in the law for transferring the original stock at par to these associations.

Farm-Loan Associations.

The act provides for the creation of local national farm loan associations through which it is contemplated that the Federal land banks shall make their loans. In the event that a local loan association is not formed in any locality within a year, the Federal Farm Loan Board may, at its discretion, authorize a Federal land bank to make loans on farm land through approved agents. Ten or more persons who own and cultivate farm land qualified to execute a mortgage loan under the act, or who are about to own and cultivate such land, may form an association, provided the aggregate of the loans desired by the members is not less than \$20,000.

Each member must take stock in his association to an amount equivalent to 5 per cent of the amount he wishes to borrow. This stock the association holds in trust as security for the member's individual loan. The association, in turn, when applying for money from the bank, must subscribe for stock in the bank to an amount equivalent to 5 per cent of the sum it wishes to obtain for its members. This stock is held in trust by the bank as security for the loans it makes through the association. If a prospective borrower has no money with which to pay for his association stock, he may borrow the price of that stock as a part of the loan on his farm land.

Under this plan, then, every borrower must be a stockholder in his local association, and every association

a stockholder in its district bank. Each stockholder in an association is liable for the acts of that association up to twice the amount of his stock.

How Loans Are Obtained.

A member of a national farm loan association, before obtaining a loan, must first fill out an application blank supplied to the loan association by the Federal Farm Loan Board. This application blank and other necessary papers will then be referred to a loan committee of the association which must appraise the property offered as security. Such application as is approved by the loan committee is then forwarded to the Federal land bank and must be investigated and reported on by a salaried appraiser of the bank before the loan is granted. This appraiser is required to investigate the solvency and character of the prospective borrower as well as the value of his land. When a loan is granted the amount is forwarded to the borrower through the loan association.

Conditions Under Which Loans May Be Obtained.

The act specifically defines the purpose for which loans may be obtained. These are:

(a) To provide for the purchase of land for agricultural uses.

(b) To provide for the purchase of equipment, fertilizers, and live stock necessary for the proper and reasonable operation of the mortgaged farm; the term "equipment," to be defined by the Federal Farm Loan Board.

(c) To provide buildings and for the improvement of farm lands; the term "improvement" to be defined by the Federal Farm Loan Board.

(d) To liquidate indebtedness of the owner of the land mortgaged, existing at the time of the organization of the first national farm loan association established in or for the county in which the land mortgaged is situated, or indebtedness subsequently incurred for one of the purposes mentioned in this section.

Loans may be made only on first mortgages on farm land. Only those who own and cultivate farm land or are about to own and cultivate such land are entitled to borrow.

No one can borrow save for the purposes stated in the act, and those who after borrowing do not use the money for the purposes specified in the mortgage are liable to have their loans reduced or recalled. The secretary-treasurer of each association is required to report any diversion of borrowed money from the purposes stated in the mortgages.

No individual can borrow more than \$10,000 or less than \$100.

No loan may be made for more than 50 per cent of the value of the land mortgaged and 20 per cent of the value of the permanent insured improvements upon it.

The loan must run for not less than 5 and not more than 40 years. Every mortgage must provide for the repayment of the loan under an amortization plan by means of a fixed number of annual or semiannual installments sufficient to meet all interest and pay off the debt by the end of the term of the loan. The installments required will be those published in amortization tables to be prepared by the Farm Loan Board.

The bank is given power to protect itself in case of default by recalling the loan in whole or in part, or taking other necessary action.

The Interest Rate Paid by the Borrower.

No Federal land bank is permitted to charge more than 6 per cent per annum on its farm-mortgage loans, and in no case shall the interest charged on farm mortgages exceed by more than 1 per cent the rate paid on the last issue of bonds.

For example, if the bank pays only 4 per cent on an issue of bonds, it can not charge more than 5 per cent for the next farm loans it makes.

Out of this margin of not to exceed 1 per cent, together with such amounts as it can earn on its paid-in cash capital, the bank must set aside certain reserves and meet all its expenses. Any balance or net profits can be distributed as dividends to the loan associations or other stockholders. The loan associations, from their bank dividends, after setting aside the required reserves and meet-



NO better way to satisfy an enthusiastic appetite than with Uneeda Biscuit. A delightful food, as appetizing as it is nourishing and wholesome. Perfect baking, perfect protection, they come to you with oven-freshness.

NATIONAL BISCUIT COMPANY

5c



Bolt Kills Girl; Tattooes Brother

Lightning Performs Queer Freak in Florida

FIRST STRIKES A TREE

During Progress of a Thunderstorm at Orlando Lightning Takes Life of 9-Year-Old Girl, While Two Other Persons Have Narrow Escapes.

Ruth Jones, 9 years old, daughter of Mr. and Mrs. W. S. Jones, prominent people of Orlando, Fla., was struck by lightning and instantly killed.

The bolt struck a tree in the yard of the Jones home. Mr. Jones was rendered unconscious for thirty minutes, and on the breast of Dudley Jones, aged 7, the lightning tattooed what looks like a fern leaf. The boy was badly shocked, but will recover.

Such Is Life.

"When we were first married I allowed my wife \$20 a week for household expenses."

"Yes. And now?"

"She allows me \$1.50 for lunches and car fare."—St. Louis Post-Dispatch.

No Doubt.

"Money has wings."

"I suppose that is why we speak of taking a flier."—Exchange.

ing expenses, can declare association dividends to their members. In this way the profits, if any, will be distributed among the borrowers and will, to that extent, reduce the amount of interest actually paid by them.

Restriction on Fees and Commissions.

The Federal land banks are specifically prohibited from charging, in connection with making a loan, any fees or commissions which are not authorized by the Farm Loan Board. The authorized fees need not be paid in advance, but may be made part of the loan.

Amortization Plan of Repaying Loans.

It has been said that all loans are to be repaid on the amortization plan. This plan calls for a number of fixed annual or semi-annual payments, which include not only all interest and charges due the bank, but the principal as well. These payments are so calculated as to extinguish the debt in a given number of years. After five years the borrower has the right on any interest date to make additional payments on the principal in sums of \$25 or any multiple thereof, thus discharging the debt more quickly.

The table given below illustrates how a loan of \$1,000, bearing interest at 5 per cent, would be retired in 20 years by annual payments of \$80.24. A study of the columns shows how from year to year the interest is reduced and the proportion of the payment which goes to discharge the principal steadily increases. The final payment cancels the debt.

Annual periods	Total Annual payment	Int'g. at 5 per cent.	Paid on principal	Amount of principal still unpaid
1	\$80.24	\$50.00	\$30.24	\$969.76
2	80.24	48.49	31.75	938.01
3	80.24	46.90	33.34	904.67
4	80.24	45.23	35.01	869.66
5	80.24	43.48	36.76	832.90
6	80.24	41.65	38.59	794.31
7	80.24	39.72	40.52	753.79
8	80.24	37.69	42.55	711.24
9	80.24	35.56	44.68	666.56
10	80.24	33.33	46.91	619.65
11	80.24	30.98	49.26	570.39
12	80.24	28.52	51.72	518.67
13	80.24	25.93	54.31	464.36
14	80.24	23.22	57.02	407.34
15	80.24	20.37	59.87	347.47
16	80.24	17.37	62.87	284.60
17	80.24	14.23	66.01	218.59
18	80.24	10.93	69.31	149.28
19	80.24	7.46	72.78	76.50
20	80.33	3.83	76.50	
Total	1,604.80	604.89	1,000.00	

John Wurm Was Victim of Foul Play

Body of Missing Youth Found in River

HANDS TIED WITH WIRE

Finding of Body of Young Atlantan Ends Long Search, in Which Detectives of Many Cities Were Called on For Help.

John Wurm, the young timekeeper of the Atlantic Steel company whose home in Atlanta caused such a profound sensation and for whom the police of the entire country have been searching, has been found.

The body of the missing young timekeeper, with his hands tied tightly with a piece of copper wire, was discovered by boatmen about noon Sunday, lodged in the meshes of floating debris and partly submerged in the muddy waters of the Chattahoochee, within less than a mile of Pace's Ferry road.

Thus ended a search that had been carried on for a week in every important city of the south, and in many prominent points of the north, east and west. Although the body was badly decomposed, owing to the long time it had been in the water, it was positively identified as that of John Wurm by the scar behind the ear, by the clothes, and by a paper note-book of the Atlantic Steel company with the boy's name written on the cover. The book was found in his pocket.

It was one week ago that the youth disappeared from his post of duty at the steel plant. He stepped into the night, and no further trace could be found of him until Sunday at noon, when the boatmen found the body. Not a clue is held to his murderer—or murderers. Both city and county police, as well as private investigators of the Atlantic Steel company, admit that they have seldom faced a more baffling mystery.

Immediately following the discovery that John Wurm, of 142 East Eighth street, the missing young timekeeper of the Atlantic Steel company plant, had been murdered and his body tossed into the Chattahoochee river, in an apparent effort to hide the crime, officials of the plant for which he worked and police and detectives united in a determined effort to apprehend his slayer or slayers, among the first to act being T. K. Glenn, who announced that the Atlantic Steel company, of which he is president, offers a reward of \$500 for evidence to convict the guilty.

SUNDAY SCHOOLS

Conventions Will Be Held in Defuniak Springs and Lakeland.

Two monster state Sunday school conventions will be held in Florida this year. The first one will be in Defuniak Springs, November 21 to 23, inclusive, and will minister to the vast western part of the state, drawing perhaps from counties as far east as Leon, Jefferson, Madison and Taylor. The second convention will be held in Lakeland, November 23 to 26, inclusive, and will be the official convention where the election of officers and other official business is transacted.

These meetings will be wholly interdenominational in character, and all evangelical Sunday schools of the state are entitled to send delegates.

\$50,000 BOND ISSUE

Florida Bond Issues For Good Roads Now Total \$12,000,000.

By a vote of two to one Taylor county voted an issue of \$600,000 of bonds for construction of hard-surfaced highways. A part of this sum will go into construction of forty-two miles of the Dixie highway, of which twenty-four miles will be of brick and eighteen of sand-asphalt.

This bond issue brings the total Florida counties good roads bond issues in the past eighteen months to slightly more than \$12,000,000.

Killed By Lightning.

News was brought to Pensacola, Fla., of the killing of Adel McClellan, near Youngstown, by a bolt of lightning during a thunderstorm. McClellan was standing beneath a tree when the lightning struck him. A mule standing nearby was also killed.

Killed By An Ice Wagon.

Twelve-year-old Cecil Sands, son of Robert H. Sands, died at the Louise Maloney hospital at Key West, Fla., from internal injuries caused by a heavy ice wagon wheel passing over his body.

Japan's "J. P. Morgan" Retires.

Baron Ei-ichi Shibusawa, the famous financier, known as the "J. P. Morgan of Japan," announced his retirement from business life. He is 76 years old.

Villa Bandits Executed.

Augustin Gomez, a Villa chieftain, and ten followers were captured and executed in Zacatecas by Constitutionalists under Captain Rodarte.

HELD IN CUSTODY

Two Men and a Woman Suspects in 'Frisco Bomb Outrage.

Two men and a woman now are in the custody of the police on suspicion of being members of a group of radicals responsible for the bomb outrage during the preparedness parade. They are:

Warren K. Billings, alias Thomas Harris, ex-convict, who has served time at Folsom for carrying dynamite on a passenger train.

Israel Weinberg, bus driver, charged with being in the vicinity of the explosion and driving away with two persons involved in the plot.

Mrs. Belle Lavin, at whose lodging house Billings lived, who also gave refuge to M. A. Schmidt and J. B. McNamara while they were planning the preliminaries of the dynamiting of the Los Angeles Times building.

"GRETA GREEN" DOOMED

Business Men of Louisville Object to Elgers Going to Jeffersonville, Ind.

The "Greta Green" for Kentucky couples in general, and Louisville couples in particular, appears doomed. For years Jeffersonville, Ind., has been the haven for Kentucky elopers, and a recent investigation, under the direction of the Men's Federation of Louisville, has brought out the startling fact that 1,650 licenses issued in a year at Jeffersonville go to female residents of Louisville and 150 females from other points in Kentucky, and that divorce suits 50 per cent of these marriages result in divorce.

Heat Kills 230 Tot.

The extreme heat of the last week has been responsible for the death in Montreal, Can., of more than 250 children. In Quebec City twenty-eight children have died owing to the heat.

Port Business Increases.

That Pensacola's port business showed an improvement during the fiscal year ended is now known beyond doubt. The annual report is being compiled at the custom house and will be announced in due time; but from unofficial sources, it is learned that the valuation of exports for the past fiscal year were more than \$9,000,000 and will come probably \$150,000 less for the same period the year before.

Famous Gator Dead.

Knocking the water supply pipe loose in the basin of the fountain at the Plaza, in St. Augustine, a few nights ago, "Old Joe," the famous alligator, who has long made his residence in the fountain, died for lack of water, and his hide will be mounted. Three smaller alligators have been placed in the fountain.

For Tallahassee Postmaster.

Representative Emmett Wilson sent to the postoffice department the name of George I. Davis, a hardware merchant and prominent business man of Tallahassee, for postmaster of the capital city. It is believed he will be confirmed by the senate.

Praise for the Dixie highway, which runs from Florida to Chicago, was voiced at Chicago on the arrival of a party of twenty-one persons from Florida who have just traversed the highway. H. C. Duncan, of Tallahassee, in charge of the party, said that the road was all that could be desired.

Telephones on Farms

50c per Month and Up

If there is no telephone on your farm write for our free booklet telling how you may get service at small cost.

Address

FARMERS' LINE DEPARTMENT

SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY



PHOSLIME

FOR

"After having used Phoslime for three years on grain crops and potatoes, not having used any commercial fertilizer, am still of the opinion that it is a fertilizer of great value, after giving it this long test, and seeing crops on which it was used pass through several droughts safely, while crops of the same kind in neighborhood suffered greatly, feel no hesitancy in saying it has the virtue of retaining moisture to a very great degree. This in addition to its other fertilizing qualities, makes it a wonderfully valuable fertilizer."

IMMEDIATE DELIVERY

Prices F. O. B. Phoslime, Fla., in Bags

CAR LOAD \$9.00 Per Ton LESS THAN CARLOAD \$10.00 Per Ton

WRITE FOR BOOKLET

FLORIDA SOFT PHOSPHATE & LIME CO.

BOX 462

OCALA, FLORIDA

MANN-HODGE SEED CO., Agents, Palatka, Fla.